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Held at Headquarters, New York,
on Friday, 27 April 1990, at 10 a.m.

President: Mr. LOHIA (Papua New Guinea)
(Vice-President)

later: Mr. JAYA (Brunei Darussalam)
(Vice-President)

- Scale of assessments for the apportionment of the expenses of the United Nations
- General debate [8] and [9] (continued)

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In the absence of the President, Mr. Lohia (Papua New Guinea), Vice-President, took the chair.

The meeting was called to order at 10.15 a.m.

SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (ARTICLE 19 OF THE CHARTER) (A/S-18/8/Add. 1)

The PRESIDENT: Before turning to the item on our agenda for this morning, I should like to draw the Assembly's attention to document A/S-18/8/Add.1, which contains a letter addressed to the President by the Secretary-General, informing him that, since the issuance of his communication dated 23 April 1990, Peru has made the necessary payment to reduce its arrears below the amount specified in Article 19 of the Charter.

May I take it that the General Assembly duly takes note of that information?

It was so decided.

AGENDA ITEMS 8 AND 9 (continued)

GENERAL DEBATE

Mr. SRITHIRATH (Lao People's Democratic Republic) (interpretation from French): The delegation of the Lao People's Democratic Republic is very happy to see Mr. Garba once again presiding over the General Assembly at its eighteenth special session. We are certain that, with his well-known diplomatic skills and extensive experience of international affairs, the session will be successful in its work.

We should also like to hail the admission of the Republic of Namibia into the great family of nations as the 160th member of the Organization. We warmly welcome into our Assembly that young, independent State's delegation led by its Prime Minister, His Excellency Mr. Hage Geingob.

The convening of the current special session devoted to international economic co-operation, in particular the revitalization of the economic growth and

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development of developing countries, is of major importance, particularly at a time when we are witnessing the alarming deterioration in the economic situation of many developing countries. The overall relaxation of tension in international relations, which we have been witnessing for some time, and which has been marked by an escalation of efforts everywhere to promote mutual understanding, détente and constructive dialogue between States, also seems to augur well for the work of the Assembly. Indeed, the absence of war or armed conflict cannot in itself guarantee the peace and security so eagerly desired throughout the world, where the interdependence of States and regions, be they rich or poor, has now become an undeniable reality.

The notion of international peace and security would be meaningless if we were unable to provide all peoples of the planet with adequate material and moral well-being in the future, and if most of the people of the world continued to suffer from exploitation, poverty, hunger, sickness and illiteracy.

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The hopes of the 1960s and 1970s that the gap between rich and poor countries could be substantially narrowed were almost totally dissipated in the late 1980s, when most of the developing countries, particularly the least developed among them, experienced a profound and prolonged economic crisis due to several factors in the world economy that favour the rich to the detriment of the poor. Because of their structural vulnerability, those developing countries are the most seriously affected by the collapse in the prices of a large number of commodities. To that we must add the external-debt crisis, the population explosion, increased protectionism, a drop in investments and a decrease in the real value of external assistance. The development process, particularly in the least-advanced countries, has thus been severely slowed down and has, in some cases, even been reversed, notwithstanding the implementation of the Substantial New Programme of Action for the 1980s, adopted in 1981 at the first Paris Conference, and in spite of the bold and often unpopular measures for structural readjustment that were implemented at a high social and political cost. Thus the gap between the prosperity of the developed countries and the poverty of the vast majority of developing countries continues to widen, to such an extent that the latter have called the 1980s as a "lost decade for development".

International measures in support of the least-advanced countries in the 1980s were inadequate and fell short of needs. The Substantial New Programme of Action has not been properly implemented by all the donor countries, and measures taken by the International Monetary Fund (IMF) and World Bank have, in practice, been too limited. Aid to development in the form of loans, along with the conditions attached to them, have simply created new and more serious difficulties vis-à-vis the debt problem confronting the developing countries in general and the least

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developed in particular. During that period, the total amount of external indebtedness increased sharply, and it now represents 60 per cent of their gross national product.

Instability and a drop in the prices of commodities on the world market have had even more devastating effects on the implementation of development programmes in those countries, given the fact that in most cases such commodities are their major exports and that they rely heavily on the income from those commodities in order to be able to pay for the import of essential manufactured goods and other necessary products. The various compensatory measures that have been offered by various international organs, such as the International Monetary Fund and the European Economic Commission (EEC), and decreed by some developed countries within the context of the generalized system of preferences or the most-favoured-nation clause are of greater help to them and deserve to be broadened and strengthened. Regrettably, however, notwithstanding such supportive measures, protectionist barriers of both the tariff and the non-tariff type, continue to be erected by some countries, thus seriously affecting the exports of the developing countries.

The Government of the Lao People's Democratic Republic is fully aware of its primary responsibility for implementation of the programme for our country's economic recovery, a programme designed chiefly to satisfy the basic needs of the poorest and most vulnerable sector of our population. Although appeals for external financial, material and technological resources have been made to friendly countries and international organizations - and I should like to take this opportunity to express our thanks and appreciation to them - the goal has been to assist the national reconstruction efforts being made by our own people as a whole. Ever since our country's liberation in 1975 those efforts have been

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particularly centred on agriculture, since rice is the staple food of our people. Thus, rice production has steadily increased since then, and in years when the climatic conditions were favourable to us we have been able, in principle, to meet our domestic needs. The 1989 harvest, for example, was a record 1.4 million tons of paddy, enough to feed my country's total population of 4 million.

Along with this undertaking at the national level, the Lao Government has for some time been establishing its new economic policy to stimulate local production, free the circulation of goods and open up domestic markets. It has also adopted a law on foreign investment that will enable my country to develop and broaden relationships of economic, trade and other types of co-operation with all countries of the world.

It is against the background of the new readjustment policy that the Lao People's Democratic Republic joins with other developing countries to demand that the shortcomings, mistakes and injustices that have worked against them in the past be corrected in the formulation of the new International Development Strategy for the 1990s and in the strategy for the substantial new programme of action to be adopted at the second Paris Conference in September of this year. That will assist the harmonious evolution of the world economy from which the countries of both South and North will derive their fair share of benefits. We should like to emphasize that development aid should never lead to interference in the internal affairs of recipient countries, for those countries are entirely free to choose the economic system they wish without any outside constraints or coercion whatsoever.

My delegation believes that the Organization, in its universality and representative nature, provides the most appropriate framework for finding solutions to all the problems of world economic imbalance that we face today, as it

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pdoes for the monitoring and follow-up of their implementation. We wish to take this opportunity to pay tribute to the devotion shown by the United Nations throughout its existence to the promotion and strengthening of international peace and security and to providing all the peoples of the world with well-being in freedom, equality and social justice. The special session should, we believe, mark a decisive turning point as we move towards harmonious co-operation between North and South to build a world economy that will be healthy, equitable and fair.

Mr. YAÑEZ BARNUEVO (Spain) (interpretation from Spanish): First of all, I wish to extend the warmest welcome to the delegation of the Republic of Namibia and express again my Government's congratulations to the people and the authorities of Namibia on their recent achievement of their longed-for independence, after years of struggle and suffering. Spain is proud of having actively participated, along with other States, in the United Nations Transition Assistance Group and of having already negotiated the establishment of full diplomatic relations between our two countries as well as the opening of an embassy in Windhoek. Furthermore, bilateral co-operation programmes, as well as our participation in multilateral programmes, have been agreed to. In those ways the Spanish Government is emphasizing its support for the new State in the stage of national reconstruction it is now entering.

I should like to congratulate the President on the efforts he has made with a view to the successful conclusion of this special session, which is of such interest to us all.

This special session is a reflection of the interest which the United Nations has always shown in its struggle on behalf of the development of the least-favoured countries. It is also a reflection of the times of international détente in which we are living and to which the Organization and in particular its Secretary-General, Mr. Perez de Cuellar, have undoubtedly contributed in a very special way. As the political obstacles related to the East-West division are removed, it will be possible to enhance action to eliminate the barriers separating North and South and herald the coming of a new era in which the work of the United Nations will be one of the fundamental pillars of international relations.

We are here in order to discuss a concern, or an aspiration, to which no Government or people is a stranger - that of growth and development - as well as the conditions and the international economic co-operation that can make this

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growth and development possible for everyone. There are two major issues in this connection which must be dealt with by the special session since they constitute the areas in which the possibilities for growth and development will be determined: the international economic context or framework in which Governments and other bodies or individuals take action, and the Governments' domestic economic policies.

Although it is always desirable to achieve international consensus on the issues which now concern us, this holds particularly true at the beginning of this decade, when international relations are subject and will continue to be subject to profound currents of change of different kinds.

They are political, because the changes which have taken place in the East undoubtedly render outdated the traditional bipolar scheme on the basis of which we have been used to analysing international society. This makes highly possible an evolution towards a multipolar society in which the growing co-operation between East and West will give rise to a situation in which the problems of development and North-South relations will be the main axis of international society, as well as the principal challenge facing it. In this sense, Spain is pleased about the recent developments and strongly supports the processes of change and democratization taking place in Eastern Europe through co-operation, which should in no way be detrimental to co-operation with and aid to the developing world.

They are technological, because obviously the appearance of new technologies in fields such as telecommunications, information or data-processing decisively affects the productive process and poses the need to incorporate these innovations into the economy; at the same time, it can alter the international division of labour and determine development processes.

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They are economic, because - also obviously - the strategies aimed at achieving long-term growth and development cannot disregard the realities which at present affect the full effectiveness of these strategies; here I have in mind external debt and structural adjustment, which undoubtedly will persist during the decade now beginning and which will hamper development if a solution is not found, especially in specific areas such as Latin America. At the same time, it should be mentioned that experience has underscored the individual nature of development processes and the differences between the problems and strategies particular to the various countries or groups of countries commonly regarded as developing.

In view of this situation that I have briefly described, Spain wishes to contribute constructively and positively to growth and development in the sense of solving the issues progressively. As a member of the European Community, Spain is a party to one of the most complete and significant co-operation policies. It totally subscribes to the analysis set forth by the representative of Ireland in his capacity of President of the Council of Ministers of the Community. As the Assembly knows, Spain has been able to achieve significant success in its own development process. In the present circumstances we are, in my opinion, ineluctably faced with two challenges in the field of co-operation: The first is to structure ourselves progressively as a significant donor. In this connection, I should like to mention the efforts made over the past few years to increase Spanish co-operation both quantitatively and qualitatively, gradually endowing it with the proper means and tools both in the governmental and in the non-governmental spheres. Of course, this effort must continue, because we still have a long way to go in the area of co-operation. The second is to make our own analysis of problems of growth and development, an analysis that will enable us to contribute constructively and actively to the debate on and adoption of positions now under way in international society.

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It is the second challenge I wish to discuss at this special session of the General Assembly on international economic co-operation, which we find particularly opportune.

Let us now turn to basic issues. Allow me, if only very briefly, to outline the fundamental concept and philosophy on the matter of concern to us, and hence to define the major short- and long-term priorities on the path to development.

(Mr. Yañez-Barnuevo, Spain)

As a basic philosophy, I believe that the two underlying principles should provide inspiration after the analysis and conclusions of this special session.

First, acceptance of and consensus in respect of the fact that the concern of international economic co-operation is both the international economic system and domestic economic policies. Development will not be possible without a proper structuring of both. In this connection, I should like to point out, relative of domestic economic policies, that economic structuring and attention to international repercussions of domestic economic policy must be the concern and responsibility of both developed and developing countries.

Secondly, the definition of recommendations and priorities should be guided by a sustainable and overall policy and concept of development encompassing economic, cultural, sociological and political factors, centred on man and based on the principle of feasibility, both in temporal terms - no one can support the kind of development that is incompatible with the ecological survival of the planet - and in terms of equitable social distribution.

Bearing in mind that international economic co-operation must cover the two areas just described and must at the same time reconcile the overcoming of major short-term obstacles to full development and potential growth with the creation of conditions for solving problems which impede long-term development, I believe that this session, as it tackles the problems of development and the ways to solve them, should concentrate on a number of short-term and long-term problems, which I shall now briefly review.

Obviously, full development and growth will not be possible without first overcoming the considerable short-term obstacles standing in the way. Therefore, because a "prior condition" is involved, dealing with development entails first of all tackling the major problems of external debt and the processes of structural adjustment, as well as seeking ways to deal with them that will make long-term

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development possible. In this connection, we are in favour of more substantial measures to alleviate the debt burden, promote increased financial flows to developing countries and ensure that adjustment has a human face.

From a long-term structural point of view, a proper strategy and allocation of priorities for international economic co-operation should focus on the aforementioned areas: the enhancement of a system of international economic relation that allows for and strengthens growth and development, combined with a domestic strategy on the part of developing countries that is backed up by the co-operation of the donors in accordance with clearly defined priorities.

In the first area, our concerns should be focused on two issues: first, the link between trade and development, considered at the Uruguay Round negotiations, the shaping of co-operation and the international commodities régime, or the option for multilateralism; secondly, co-ordination of domestic economic policies, with special attention to their repercussions on the international economic situation.

On the other hand, however favourable the international economic climate may be, the achievement of economic growth and development depends fundamentally on the efforts of each country concerned. These efforts can be complemented, reinforced and accompanied by international co-operation, but it would be very difficult, if not impossible, to make the latter a substitute for the former. This domestic strategy and these efforts aimed at development and the kind of co-operation that contributes to it must be planned and executed on all fronts of social, economic, cultural and political life; but in my opinion, this development depends on giving special priority to the following major issues:

First, the human dimension of development, because human beings are, after all, the true subject of this process and without adequate human capital no development is possible, or perhaps even meaningful, in the long term. Therefore,

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we should concern ourselves especially with the utilization of human resources, with health and education and with the integration of women into the process of development;

Secondly, the compatibility between development and ecological balance;

Thirdly, the strengthening of the role of the State and institutions, both as economic agents to mobilize the process of development and as agents of social integration;

Fourthly, the economic dimension of development, giving special priority to regional economic integration;

Fifthly, the incorporation of major economic innovations to stimulate the economy;

Sixthly, a more effective configuration of official development assistance, improving both quality and concept;

Seventhly, differentiation between the various realities and problems of development, which require solutions suitable for each case;

And lastly, a participatory conception of the process of development and co-operation endeavouring to enhance the roles of non-governmental organizations and of companies.

I trust that these reflections have contributed to the discussions at this special session. I hope that its results will be satisfactory to everyone and in time constitute a step towards consensus on this important issue of development, which affects and concerns us, while at the same time serving to consolidate a new approach to North-South relations. We are also confident that the results of this special session will facilitate the preparation and holding of coming international economic meetings, such as the Conference on Least Developed Countries and the eighth United Nations Conference on Trade and Development (UNCTAD VIII).

((Mr. Yañez-Barnuevo, Spain)

This should not be considered empty rhetoric; my country will step up its efforts to enhance international co-operation, and we hope that this will also be the general policy taken by those countries that most benefit from the current economic situation, because only thus, through co-operation involving dialogue and solidarity, shall we create a more peaceful and just international society.

Mr. MAKARCZYK (Poland): The Polish delegation joins the other speakers in congratulating Mr. Garba on his election to the important post of President of the General Assembly at this special session. We hope that under his able guidance the session will greatly contribute to strengthening international economic co-operation among all countries.

The Government of the Republic of Poland warmly welcomes in our midst the new member of the United Nations, the Republic of Namibia. Poland consistently supported the just struggle of the Namibian people for independence. We have actively participated in the work of the Council for Namibia and contributed our troops to the United Nations Transition Assistance Group (UNTAG).

We are looking forward to establishing close and friendly relations and to developing fruitful co-operation between my country and independent Namibia.

(Mr. Makarczyk, Poland)

The deep and authentic process of relaxation of tension, so long awaited by the international community, has finally become a reality owing to ongoing change in East-West political and military relations. This desirable phenomenon has not, unfortunately, as yet been followed by similar progress in the field of international economic co-operation for development. The structural problems affecting the world economy remain unsolved. The development gap widens; the difference in national income per capita among and within States is still growing. The situation of many least-developed countries remains extremely critical.

Global issues such as external debt, trade discrimination and protectionism and environmental degradation have not yet found an equitable and comprehensive solution, and they still constitute a painful burden for many countries and their peoples, especially the developing countries and others in an analagous situation. One way or another, those issues also affect - through the intricate network of international links - an interdependent and indivisible world economy and the well-being of all without exception. Persistent imbalances, especially among the economies of developed countries, have had a negative impact on international trade and financial flows, contributing to the increased net outflow of resources from the developing countries. As the report of the Secretary-General states, the negative net transfer from developing countries towards the world's richest economies has increased over the period 1984 to 1989 to about $180 billion.

Mounting barriers to the economic growth of Eastern and Central Europe, of systemic origin and more often than not generated by the excessive debt burden, in conjunction with a highly unsatisfactory export performance, have hampered the integration of that region into the world economy. The painful adjustment efforts undertaken by a growing number of States have not encountered a sufficiently supportive stance from their developed partners, and the external economic environment still leaves much to be desired.

(Mr. Makarczyk, Poland)

Those are some of the general negative characteristics of the last decade, the 1980s, which we note with rising concern as a decade lost for development for so many developing countries. We fully concur with the Secretary-General when he says in his report that

"The negative trends in the world economy described above are likely to persist in the years ahead unless decisive remedial steps are taken promptly, both nationally and internationally." (A/AC.233/5, p. 14)

The most acute problem, which concerns not only the developing countries, is external indebtedness. This question, in our opinion, should not treated in financial terms exclusively. The consequences of that debt have an enormous political and social impact on debtor countries. As the Secretary-General stressed in his statement in the Research Centre on Debt and Development, in Cracov, Poland, one year ago,

"the debt problem far surpasses the boundary of economies. When the welfare of peoples and the stability of Governments are in question, the issue has an international dimension. That is why a genuinely concerted solution is now required on the basis of dialogue and co-operation."

That is also why, in our considerated opinion, the United Nations and the Secretary-General should continue to pay great attention to the global debt problem and to the efforts of all concerned to solve it. The debt burden has attained such a magnitude that it prevents growth and adjustment with a human face and the restoration of debt-servicing capacity. That is why we fully share the opinion expressed in an excellent report to the United Nations Development Programme by an independent group of experts headed by Professor Lars Kalderen that developing countries' debts need to be reduced in order to reverse negative resource flows and a fall in investment typical of the last few years.

(Mr. Makarczyk, Poland)

The situation in the developing countries is further aggravated by the deterioration in their terms of trade and the protectionism in many developed countries, which clearly bypass the rules of the General Agreement on Tariffs and Trade. We hope that the Uruguay Round will finally succeed in improving world trade and its beneficial role for all, including the ability to generate resources for the solution of foreign indebtedness. The time has come to take comprehensive steps by sharing responsibilities and taking into account the vital interests of all parties involved - the developing and some other countries with serious debt-servicing problems on the one hand and the developed ones on the other, as well as debtors and creditors.

The solution of internatonal trade and external debt could be constructively linked to environmental protection, which is another great challenge we have to meet with common efforts to ensure ecologically sustained development. Also, in this case we ought to think in terms of a global economic rationality sensu largo, as well as on a regional scale, in order to curtail the progressive and often irreversible degradation of the natural environment. Part of the debt relief should be used for environmental projects, while the expansion of trade could augment the transfer of technology.

The problem of facilitated access to advanced technologies related to those fields in which global threats exist should be resolved and financial support should be given, where necessary, for the inhabitants of the "only one Earth". International solidarity is urgently called for in this respect. Helping others is very often the best way of preserving one's own environment, as it is as a rule several times more cost effective to eliminate or reduce pollution at the source. Environmentally sustained development should, as we see it, be approached as a joint effort from which everybody will benefit in the shorter or longer term. It

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is also a joint responsibility in the interdependent world of the century now drawing to a close.

Profound changes in technological development and human aspirations and skills, and the activity of transnational entities, as well as other issues emerging in the modern world, have not only brought about a high degree of interdependence but have also altered the international division of labour. They have brought about a process of continuous globalization of the world economy, accompanied - even if this sounds like a contradiction - by a strong trend towards regionalization and economic integration.

At the threshold of the twenty-first century, the world seems to be turning into a global economy with intricate interconnected machinery in which every element has to co-operate harmoniously with all the others to ensure its smooth functioning and increased efficiency, thus striving for global economic rationality.

A properous world economy is unthinkable if one of its constituents is plagued at the same time by stagnation, poverty and hunger, which provoke not only social but also political tensions. It is paradoxical that at a time when man has landed on the moon and is reaching for the stars there still exists, and even deepens, a dramatic development gap characterized by the overabundance and extreme poverty of nations and individual human beings. We must embark on efforts to remove this dishonourable imbalance from our world. The progress of science and technology, as well as the experience and wisdom of mankind, make fulfilment of that noble task possible and within our reach today. In this context we wish to emphasize that those in need, whatever the reason or rather multiplicity of reasons behind their different situations and poor growth prospects, should be assisted in their endeavours to adjust and assist themselves in such a manner as to permit the reduction, as far as possible, of the social costs involved, which are hardly acceptable, especially to the more vulnerable strata of populations.

(Mr. Makarczyk, Poland)

Aiming at overcoming all those global problems, typical of the still-polarized world, we should spare no effort to change and improve the institutional structures of our reality and our policies out of concern for our common future. A new development consensus, one that would encompass such concerns and indicate vistas addressing the problems at hand, must be forged.

The transition and adjustment many countries face, though to a varying degree, call for support on the part of those in a position to provide it and for co-operation on the part of all.

(Mr. Makarczyk, Poland)

We in Poland are perfectly aware of the transition costs related to stepping out on the rough road towards a market-oriented economy, a road of systemic and structural reforms indispensable in the process of departure from an inefficient command and distributive model. My country now faces many problems similar to those of the developing countries. The support that Poland receives, and still expects to receive, in the difficult transition period until we regain growth and fully integrate into the world economy, will enable us to enhance our contribution to the stabilization of the world economy as well as to the social and economic development of developing countries. In this context, and from this high rostrum, I wish to express sincere thanks to all Member States which have been granting Poland their help, showing understanding and contributing in many ways to setting up programmes of financial, institutional and political support for our Government, our people and our economy. We are deeply grateful for this evidence of international solidarity for comprehensive development.

We are concerned about the decline in the 1980s of our share in economic and trade relations with the developing countries. In building a more open and export-oriented economy, we are resolved to expand our relations with the developing countries in all possible fields. We have the capacity to do it if we overcome the crisis conditions caused by wrong economic policies of the past and by factors beyond our control. We are convinced that our ongoing economic programme of reforms, conceived and carried out with the advice of the United Nations agencies - in particular, the International Monetary Fund (IMF), the World Bank and the United Nations Development Programme (UNDP) - will stabilize our economy and normalize our international co-operation - in particular, in the economic and trade fields.

(Mr. Makarczyk, Poland)

All this should make it possible to increase the share of foreign trade in the formation of our national income, which in turn will also create favourable conditions for expansion of our co-operation with, and assistance to, the developing countries.

But it is not only a case of Poland. As the Secretary-General stressed in his report,

"The modernization of the economies of Eastern Europe will require considerable financial and technical assistance. In the short term, this will impose an additional demand on official flows from the developed market economies. In the medium and long term, international support for this process will, in all likelihood, shift towards private direct investment and commercial trading arrangements. At the same time, the modernization process in these countries will enable them to enhance their contribution to the development of the developing countries." (A/AC.233/5, p. 24)

The modernization of the economies of Eastern Europe requires, inter alia, gradual elimination of various barriers to international co-operation stemming from incompatibility of systems. Poland, like some other countries, is now introducing policies aimed at making our economic systems more compatible with those of Western and other market economies. These policies should bring about expansion of both regional and global co-operation, and in particular, growth of foreign trade. Aimed at building foundations for a stable economic system, they require for success constructive co-operation and assistance from our partners, as well as the elaboration of relevant programmes in the framework of international organizations.

The prime responsibility for development, in accordance with the fundamental requirements of national sovereignty, obviously rests with each country's own Government, which has been entrusted with the task of guiding its nation towards a

(Mr. Makarczyk, Poland)

more prosperous future. But the international community cannot remain indifferent to those efforts. All its members should commit themselves to co-operation for development and help each other according to their capabilities.

We believe that the current favourable international climate should permit a greater role for co-operation between Member States of the United Nations in arriving at successful solutions of problems and challenges confronting the world economy. We are also convinced that if we all have enough political will we shall be able to work out at this special session a constructive and effective consensus on a programme of concerted action towards a stable world economy guaranteeing the fulfilment of the indispensable social aspirations of all peoples. If we succeed here in setting the course towards those goals of paramount significance, and make real progress towards co-operation leading to a global economy, we shall at the same time contribute to the strengthening of international security, which is the basic goal of the Organization.

I assure representatives that my delegation will spare no effort to assist in the achievements of those noble aims.

Mr. DOWEK (Israel): This special session of the General Assembly is the culmination of a long process of intensive negotiations, often characterized by acrimonious debate between the various economic-political groupings that form the community of nations. Months of strenuous effort were invested in the preparation of the session by the dedicated and efficient staff of the Secretariat and by the Preparatory Committee, under the able guidance of its Chairman, the Permanent Representative of Greece, Ambassador Zepos.

Yet, important and meaningful as this special session may be, it is not a landmark in and of itself. It is clearly not the forum in which the ways and means for improved global economic co-operation can be sketched out. Nor is it the place to establish a comprehensive programme of action oriented to growth and development

(Mr. Dowek, Israel)

for all. That task is primarily the responsibility of the economic and financial multilateral organs, such as the International Monetary Fund (IMF), the World Bank, the United Nations Development Programme (UNDP), the General Agreement on Tariffs and Trade (GATT) and others. It should also be the responsibility of organs of a regional character, which in my delegation's view should play a leading role in the transition period and in the shaping of any future global policy.

The series of major international economic meetings scheduled for the near future, such as the Paris Conference on the Least Developed Countries, the Uruguay Round, the preparation of the International Development Strategy, the eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII) and the Conference on Environment and Development, are of crucial importance. It is incumbent upon them to elaborate the detailed policies in each specific area and to arrive at an integrative approach to the complex problem of adjusting, in the light of past experience, the world economic system and mechanisms to new goals and needs. Such a global strategy should not limit itself to economic development, but should also encompass protection of the environment, social and demographic problems, health and education for all, transfer of technology, eradication of poverty and the struggle against drug abuse, terrorism and other plagues which have become a source of major concern.

However, that gigantic task can be accomplished only if the Governments of the world agree on a common vision of the future.

It is therefore up to the special session of the General Assembly, under the wise and dynamic leadership of its President, Ambassador Garba, and all the officers of the Assembly, to mark out the route to a more positive and more generous world economy, transcending inward-looking national economies and treading the path of openness, co-operation and solidarity with the weaker members of the international society.

(Mr. Dowek, Israel)

It is up to the special session to inject new impetus into the process of advancing economic growth, emphasizing that in a world of growing and complex interdependence the community of nations is determined to build a future beneficial to the whole of mankind. It is also up to the special session to give the highest priority to the stepped-up social and economic development of the developing countries.

My delegation shares the view expressed by many delegations that there is no economic blueprint which can automatically bring about economic growth and that development is a continuous and dynamic process taking place in an ever-changing environment. Flexibility in development thinking is essential; new challenges require new solutions; outmoded approaches should be discarded as soon as they fail to meet arising conditions - and hence such a blueprint can be devised by combining short, medium and long-term goals and policies which should continuously be revised in light of world realities, available resources and emerging needs.

In this context, the Minister of Planning and Development of Bolivia, Mr. Garcia, rightly stressed:

> "Without investment there can be no ... development. That is why this topic remains the centre-piece in restoring macro-economic equilibrium and moving towards development." (A/S-18/PV.1, pp. 84-85)

The solution to the debt problem therefore deserves the undivided attention of the industrial community to bring about concrete action in the short term.

No doubt the mobilization of financial means, the creation of new sources of wealth and their equitable allocation are essential ingredients of any meaningful plan of action. Naturally, in this area, the countries that play a leading role in the international economy - the industrialized countries - have a special responsibility for creating a favourable climate for the development of all components of the world community and for promoting trade, finance and a monetary

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environment conducive to growth and development. At the same time, the developing countries should make their contribution by ensuring, first of all, the efficiency of their economy and the adequacy of their social system. There is no doubt that each nation has to assume the fullest responsibility for its own economic and social policies and for the well-being of its citizens. Fundamentally, the task of each country is to ensure its own development. While the problem of resources is central to development the rational use of resources is as important, not to say even more important. International co-operation at the highest possible level cannot replace sound national policies based on realism and geared to human needs. If adequate structures - political, legal and economic - are not put into place or fail to meet the challenge of development, democratic development for all, no volume of resources, no blueprint, no global strategy, will bring about significant changes in the present situation.

The human factor is no less central to development. Bringing about the effective involvement of the population in implementing national policies is essential. Women should participate alongside men, on an equal footing, in the development process. Joint action and shared responsibility are the way forward. Therefore, increased attention will have to be directed to human resources development and to the transfer of training and technology. In this field, my country - itself a developing country confronted with adverse soil and difficult climatic conditions - has devised, throughout years of achievement and failure, new concepts, new methods and new approaches that meet the needs of developing societies engaged in an accelerated process of self-reliance and seek to minimize the cost of development and social integration. For this purpose, Israel has created training centres for high-level personnel in agriculture, services, youth and female leadership, integrated development, management, planning, water resources, and many other fields relevant to development - human, social and

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technical. Up to now, more than 40,000 cadres from developing countries in Latin America, Asia and Africa have participated in courses specially tailored to their needs. Israel will continue to pursue and expand these programmes with the conviction, sustained through many years of open and fruitful co-operation with more than 90 developing countries, that the Israeli experiment is adaptable to the respective needs of fellow developing countries.

Last but not least, development can result only from a harmonious admixture of national efforts on one hand and increased international co-operation on the other. The United Nations and other international organs will have to play an important role on both levels. Since its inception in 1945, the United Nations has created a wide range of organs dedicated to economic and social development and has encouraged the creation of others. It has succeeded in heightening world consciousness to the necessity of growth and development and of equitable sharing in the fruit of this process. It has also succeeded over the years to mobilize billions of dollars for this aim and helped co-ordinate the flow of many more billions. The aggregate results of this action are no doubt positive. However, one cannot - and should not - make abstraction of the flaws inherent in the system: duplication of work, lack of sense of priorities, heavy bureaucracy, extensive paperwork, high overheads and higher costs, complicated and time-consuming procedures, lack of co-ordination and sometimes even inefficiency.

In any future strategy of stepped-up development, and especially in all that concerns the developing countries, the United Nations system will be a central and leading player as the planning, co-ordinating, financing and often executing agency. The world community has no better instrument. That, however, is no reason not to strive to improve existing multilateral mechanisms and make them better able to respond to the enormous challenges of the 1990s. It is absolutely imperative that we do not fail. The stakes are too high.

Mr. JOHNSON (Liberia): On behalf of the delegation of Liberia, and in my own name, I congratulate Mr. Garba on his election to the presidency of the General Assembly at its eighteenth special session devoted to international economic co-operation, in particular to the revitalization of economic growth and development of developing countries. His efficient management of the forty-fourth regular session of the General Assembly, as well as of the sixteenth and seventeenth special sessions, justifies our continuing confidence in his ability and reassures us that this special session will, under his leadership, successfully achieve the objectives set for it.

I should also like to extend to the Secretary-General our thanks and highest commendation for his continuing personal commitment to the search for world peace, understanding and development.

Namibia has at last achieved independence and taken its rightful place in our Assembly of sovereign States. The significant role the Organization played in Namibia's struggle for independence bears ample testimony to the commitment of the United Nations to the eradication of colonialism and the promotion of freedom, equality and justice for all.

As we welcome Namibia to membership of the United Nations and in the comity of nations, the Government and the people of Liberia are proud of their pioneering role in the liberation struggle of the new Republic, and do look forward to strengthening the ties of friendship that have bound our two peoples over the years. We trust that the racist Pretoria régime in South Africa will draw the appropriate lesson and soon abandon its bankrupt policy of apartheid, thereby bringing to a final end the struggle for the political liberation of the African continent.

We have entered the decade of the 1990s with all the inequities of the international economic system still intact and surpassed only by the continuing

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lack of political will to make maximum use of the instruments of international co-operation to solve our common problems.

International co-operation is, of course, not a new idea. The basis of the Charter of the Organization itself, international co-operation has enabled the United Nations to achieve most of its goals over the years. The essence of co-operation at any level is a measure of the willingness of the parties concerned to meet agreed commitments in the interest of the common good, even if and when individual interests are not fully served.

In considering the question of international co-operation for the revitalization of economic growth and development of developing countries, it is necessary to keep in mind that the question constitutes an integral part of ongoing efforts to restructure international economic relations with a view to making the international economic environment more just and more equitable.

Numerous efforts have been made over time to achieve an economic order more responsive to the needs and aspirations of all peoples. We recall, in that connection, the Programme of Action for the Establishment of the New International Economic Order, the Charter of Economic Rights and Duties, the Integrated Programme for Commodities and the United Nations Programme for African Economic Recovery and Development, among others, the full implementation of which would perhaps have obviated the need for measures now being considered to reactivate growth and development in developing countries. In other words, the problem is not so much the evolution of new ideas or strategies but more a need to commit ourselves to pursuing ever more vigorously a course of action already perceived with sufficient clarity.

My delegation believes that the main task of the special session should therefore be to ensure renewed commitment to the implementation of programmes and strategies aimed at addressing those pressing social and economic problems facing

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the world today, especially in the developing countries. Though the number of such problems is practically unlimited, my delegation wishes to draw special attention to at least four areas upon which the international community can focus its co-operative attention in the 1990s to help extricate the developing countries from their current state of underdevelopment and negative growth.

These four areas include the problems of external debt, international trade, human-resource development and the environment. But I should first like to observe that this session could not have occurred at a more appropriate time than now, when the cold war has virtually ended, thereby significantly increasing the potential for resources to be shifted from armaments to development.

During the decades of the 1960s and 1970s, the economies of the developing countries experienced relatively acceptable levels of growth. Those countries and their creditors thus became optimistic about their long-term development prospects owing mainly to the boom in the output of their commodities, in terms of both price and quantity. That optimism encouraged large-scale borrowing by the developing countries to provide for certain basic needs and commitments, and large-scale lending by the creditors to maximize their profits.

But the growth of the economies of the developing countries came to a virtual halt and even suffered reverses in the decade of the 1980s, now referred to as the lost decade. The result was a decline in lending and investment and the onset of the debt crisis.

As many speakers before me at the special session have rightly argued, the debt problem has ceased to be a crisis; it has indeed become a permanent economic handicap of developing countries. In fact, the debt crisis is now in its eighth year, with barely any solutions on the horizon. The external debt stock of the developing countries has risen from $750 billion in 1982 to $1,200 billion at the

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end of 1989. Africa's external debt, which now stands at $250 billion, will exceed $600 billion in 1995 and reach $1,500 billion in the year 2002.

The only solutions that have been proposed or attempted thus far, including the Brady plan, have merely succeeded in making debtor countries worse off and creditor countries better off. Those solutions have been timid, tentative and unimaginative. What we need now are bold and comprehensive actions to deal effectively with the debt problem, which has been aggravated by the attitude of most multilateral financial institutions, particularly the International Monetary Fund (IMF) and the World Bank. As commercial bank credits became scarcer beginning in 1982, those institutions were transformed into major sources of credit to developing countries. More than two thirds of the debt stock of developing countries today are owed to multilateral lending institutions.

In Liberia, out of a total external debt of $1.3 billion, about $600 million, or 50 percent, are owed to the IMF and the World Bank alone. However, those institutions have claimed, as they still do, that their current policies, rules and regulations do not permit them to refinance, restructure or write off debt. That has led to a situation in which many developing countries' annual repayments to the IMF and the World Bank now far exceed their actual or needed loan inflows.

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Thus these developing countries have ended up being net transferers of resources to these institutions, which have become a part of the problem and no longer a part of the solution. This is a most ingenious paradox indeed. It is high time that their rules and regulations be amended to allow multilateral lending institutions to grant debt relief to developing countries.

The existing rules and regulations of the IMF and World Bank were fashioned by member States of those institutions in the immediate post-war period to meet the needs of the times. The international community should now take the courage to help those institutions meet the challenges of the day, including the problem of debt.

The second problem area for increased international co-operation is that of international trade. The central issue here is that, despite an impressive international market, expansion and increasing growth in world trade, the developed countries have unleashed strong protectionist forces against the developing countries, rendering it most difficult for the latter to reap any meaningful benefit from the said expansion.

And yet, all indications are that in opening their markets to products from developing countries the developed countries would stimulate greater demand in those developing countries for capital and consumer goods from the industrialized countries. The more the developing countries are able to export, therefore, the more they will be able to purchase from the developed countries and to pay off their debts to them and the lending institutions.

The short-sighted pursuit of protectionist policies and the imposition of non-tariff barriers and other restrictive trade policies have thus only contributed to the dramatic decline in economic growth of the developing countries and exacerbated the debt crisis.

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While the developing countries strive relentlessly to operate in a global economic environment that is conducive to their progress, there can be no doubt that the responsibility to revitalize the growth and development of the developing countries lies equally with the industrialized countries. There is still a need for developed countries to keep their markets open and accessible, to remove protectionist barriers, to reduce tariffs and to do all that is necessary to bring the Uruguay Round of trade negotiations to a successful conclusion.

Yet another area of focus is the environment. Nowadays, environmental concerns rank very high on the agenda of virtually every international conference. This is as it should be, for what is at stake on the environmental front is nothing short of the continuing existence of life on this planet. This idea was recently given wide recognition when over 200 million people in 140 nations observed Earth Day 1990, a sequal to Earth Day 1970, which launched the modern environmental movement.

Indeed, the depletion of the ozone layer, global warming as a result of the greenhouse effect, desertification and toxic wastes pollution - all require the most immediate attention of the entire international community, in view of their destructive effect on the ecosystem.

It is true that poverty is as harmful a pollutant as carelessly operated industries, a fact that is quite evident in areas denuded of trees and animals by people in dire need of firewood and food. However, since the developed countries are the prime source of environmental degradation, they do have at least a moral obligation to assume a greater share of the responsibility for global environmental protection, including the provision of adequate resources for that purpose. In this connection, official development assistance to, and investment programmes in, third world countries should now be designed to ensure sustainable development on a much grander scale than obtained before.

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A fourth important area of focus for international co-operation is human resources development. It is generally accepted that the people of any country constitute its most important economic asset. Development must, therefore, be human-centred. Sustained growth and development cannot be achieved without due attention being paid to the reduction and eventual eradication of poverty or, what is the same thing, to the development of human resources.

This necessary attention to the human dimension of development requires new approaches, concrete actions and international co-operation in health and nutrition, housing, and in the development of new and appropriate technologies.

Moreover, international co-operation must be stimulated to encourage developing countries to pursue sound population policies and family planning programmes, among other things, to curb the high rate of population growth and put within their reach the goal of safe motherhood.

Women, who comprise about one half of the human resource of developing countries and are equally responsible for the vitality of their economies, must be more fully integrated into the mainstream of development activities.

The convening of this special session stems in part from a realization that the development programmes of third world countries have not brought the expected results and that their struggle against poverty and underdevelopment has continued to yield only limited results.

Notwithstanding the prospects that various conferences have discussed, my delegation believes that developing countries must now make good on their avowed commitment to South-South co-operation in a spirit of collective self-reliance.

It is becoming increasingly clear that the developed countries have opted for greater co-operation among themselves. Consider, if you will, the single market

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being created within the European Community by 1993, the conclusion of the United States-Canada Free Trade Area Agreement, and the economic reforms occurring in Eastern Europe and elsewhere in the North.

If even these developed countries can perceive economic co-operation and integration as a means of strengthening their international competitiveness and ensuring their collective welfare, then the potential value of economic co-operation and integration for developing countries as an option to achieve the same objective should be obvious.

In conclusion, whatever is thought of international co-operation as an instrument to assist developing countries, it must remain nothing more than a means to an end. If we in the developing countries are to survive and prosper, we shall be able to do so only through the pursuit of sound economic policies, hard work and co-operation among ourselves. International co-operation, especially in the areas of debt relief, greater market access, environmental protection, and human resources development should help us to attain that goal.

Dame Ann HERCUS (New Zealand): It is a pleasure to know that the work of the eighteenth special session of the General Assembly is being guided by a distinguished son of Africa. That fact also adds to my pleasure in bringing greetings and congratulations from the Government and the people of New Zealand to Namibia, the newest State Member of this great Organization. The struggle of the Namibian people to achieve their independence has finally been rewarded, and we welcome them to the community of nations.

Sixteen years ago the sixth special session of the General Assembly was convened to address the state of the global economy. The intervening years have seen great changes of every description in the economic, political and social fields.

While we can applaud many of the developments in the political and social spheres, for many nations the economic changes have not been easy or necessarily beneficial. Rising levels of external and internal indebtedness, the major disruptions of commodity prices and trade patterns, growing protectionism, the increase of absolute poverty, environmental degradation and spiralling population growth in many regions are but some of the problems which the international community must tackle.

As we look for solutions we must take into account the diversity of our experience. For each Member State the challenges and opportunities offered by today's global economy are unique. For many among us the decade just concluded has not yielded economic progress. For those States the 1980s have rightly been dubbed "the lost decade".

But even from the evident failures of the past 10 years we can obtain some useful lessons. We have, for instance, come to acquire a more sophisticated appreciation of the individual and collective responsibilities of each nation within a global economy characterized increasingly by interdependence. We have

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learned that domestic economic difficulties cannot be linked to external factors alone. We have also learned, however, that the most careful policy formulation and implementation may be to little avail if the international economic environment is not conducive to sustainable and sustained growth.

We should also acknowledge the constructive role played by the existing institutional framework within the United Nations system, which has been mandated to address global financial, trade and development issues. New Zealand reaffirms its full support for the role of the Bretton Woods institutions, as well as the General Agreement on Tariffs and Trade (GATT). We are encouraged by the increasing interest of a number of non-member countries in their activities.

Economic progress gained by some at the expense of others is not an acceptable goal. Those developing countries which have been left behind in the last decade must be reintegrated. The commitment of the creditor nations must be founded on more than a concern about the ability of the debtors to meet their repayment schedules. The present debt crisis imposes a crushing burden on many developing countries. Alleviation of that burden - turning around the net outflow of capital away from the developing countries - is urgently needed. Every nation must have a chance to develop its productive capacity. If not, it will remain a dependent of us all. The special plight of the least developed countries requires our special attention. The reality of low per capita incomes is malnourishment of large parts of the population, a shortened life expectancy, high infant mortality and widespread incidence of diseases largely eradicated in other societies. It also means an absence of domestic resources for the development of physical assets and people. Greater efforts to assist the least developed countries is a moral imperative for us all.

The continually evolving nature of the global economy requires structural adjustments in every national economy. New Zealand has chosen in recent years to

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confront the challenge of such adjustment head on. While once the New Zealand economy had the reputation of being one of the most protected and regulated of the developed countries, the reverse is now the case.

The streamlining of our economy has seen the New Zealand Government move out of a range of economic activities it had traditionally dominated. Programmes of structural reform have been wide ranging. These have included tight monetary policies, the floating of the exchange rate, the deregulation of the financial sector, the overhaul of the taxation system, import liberalization, restructuring of the public sector, the sale of State assets and labour market reforms.

Real benefits have flowed from these policies. The fiscal deficit is now close to balance, inflation has fallen from double figures to less than 5 per cent, significant tranches of public debt have been retired and there have been substantial improvements in productivity levels.

Yet the social costs of such a dramatic reversal of economic policy have been high. Inevitably, developing countries will find structural reforms an even more difficult process. New Zealand shares with many developing countries a keen appreciation of the real cost of national economic realignment. But we have no doubt that the process of structural adjustment is essential.

Care must be taken to minimize adverse effects of structural adjustment on disadvantaged groups, especially women and children. We are all conscious that the conditions that now require adjustments have themselves contributed to the increased marginalization of such groups in many countries. Yet we are convinced that policies that facilitate the economic role of women in society will not only directly improve the position of women but will also strengthen the general economic base.

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As I have said, however, far-reaching economic reforms at the national level can only be successful if they take place against the background of a more supportive economic environment internationally.

International trade is now a powerful factor in the affairs of all countries, developed and developing. At the present time major efforts are under way to bring about a substantial improvement in the trading environment. Yet even now, protectionist pressures are in evidence in much of the world. Expressions of commitment to freer and fairer trade must, in New Zealand's view, be backed by comprehensive action. States must demonstrate their commitment to the opening up of the multilateral trading system. Without substantial progress, scope for sustained and sustainable economic development is limited. New viable and efficient market economies will not have the fertile ground necessary to take root and flourish. Equally, sustained economic growth has a vital role to play in the process of democratic evolution.

It is for such reasons that New Zealand from the beginning has been totally committed to a successful outcome for the current Uruguay Round of multilateral trade negotiations. We are determined that agricultural and tropical products will be a key part of the comprehensive agreement due to be finalized by the end of this year. For too long these key sectors of economic activity have been excluded from such negotiations, yet so many nations - particularly developing nations - stand to benefit greatly from substantial progress in these areas.

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Against a growing range of demands for official development assistance resources, there is little room for optimism that in the immediate future major increases will be possible on the part of most developed countries. It is essential, therefore, that we not overlook the positive role trade as well as aid can play in economic development. We recall the findings of a 1988 World Bank study which observed that the trade-protection policies of industrialized countries reduced developing countries' national income by almost twice the level of official development assistance received from those industrialized countries. The removal of such protectionist policies is essential to the establishment of the conditions necessary for sustainable development on a global scale.

New Zealand is particularly conscious of the importance that development policies have in relation to the environment. All who seek to protect the environment for future generations must be actively involved in assisting with development. And all who wish to see development that is sustainable must ensure that their policies are environmentally sound. We are aware of the responsibility that the industrialized countries bear for many of the environmental ills that beset our planet. In order to ensure that the potential growth of the economies of the developing countries is not constrained, New Zealand believes that developing countries must have access to technologies and assistance to enable environmentally sound development policies to be pursued. The developed countries have a particular role to play in facilitating this process so that all may achieve sustainable development. In our view this will be one of the most significant matters to be addressed by the 1992 United Nations Conference on Environment and Development.

Finally, over the remaining two days of the special session we Member States will map out a framework for the future. Practical consensus decisions taken here

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will influence positively the development and economic policies for many years ahead. Some of the wealthier States among us have the luxury of regarding this process of economic reform as a matter of sound economics. For a growing number of others, it is an issue of survival. But for all of us, it is a question of equity.

Mr. GAYAMA (Congo) (interpretation from French): The delegation of the Congo, which I have the honour to lead, has been following very closely the work of this special session of the General Assembly, devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries. We have been instructed by our President, Mr. Denis Sassou Nguesso, to do our utmost to ensure that our work yields significant results.

We are honoured to have Ambassador Joseph Garba as our leader in this exercise, whose historic importance we must express. Accordingly, and given his personal abilities, we can only congratulate him on his election as the President of the special session.

We take this opportunity of expressing, on behalf of the Government of the Congo, our admiration and friendship for the Secretary-General, Mr. Javier Perez de Cuellar. His decisive contribution to the major role being increasingly played by the United Nations as the conscience of the international community has always been given its proper value by us.

Moreover, the efforts constantly undertaken by the United Nations in the quest for international peace and security and respect for the rights of the individual and of peoples inspired the process that led the fraternal people of Namibia to international sovereignty. The people and Government of the Congo are honoured to have made their modest contribution to the negotiating process that led to the signature of the Brazzaville Protocol and the New York Agreements in December 1988, which made possible the implementation of Security Council resolution 435 (1978).

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Accordingly, we are happy to welcome the young fraternal State of Namibia to membership in the community of free nations. We assure Namibia of the Congo's support, in accordance with the appeal made here by the Prime Minister of the Republic of Namibia for greater assistance in the pressing task of national reconstruction to be undertaken by his new Government. In this regard, my country will continue to be constantly available to the people of Namibia, in keeping with the excellent relations we have with them.

It is thanks also to the international Organization that we are able now to express the hope that the profound changes occurring in the world will indeed foster an international climate in which we can find the best possible solutions to the problems facing mankind.

In describing the present situation we have to think first of the refreshing wind that is now blowing more or less everywhere, from North to South, from East to West, making possible today what seemed inconceivable, if not utopian, just yesterday. And so we are moving towards a generalized restructuring of the fabric of international relations, strengthening the multipolar vision of the world instead of the bipolar one that has proved so ruinous in all respects. It is our hope that all the factors involved will be able to work together towards a true dynamic of development based on international economic co-operation, which is after all the theme of this special session.

To correspond to the current changes and the hopes to which they give rise, there must be true international co-operation, viewed as a logical response to such changes. That co-operation must have a real content of international solidarity reflecting a new awareness, not overshadowed by the East-West confrontation and the state of perpetual crisis to which that rivalry had condemned the world.

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Has the time not come for mankind to take up the challenges, particularly those of development, from a new standpoint - this time in the framework of the spirit of a new international economic order based on justice and equity offering in particular a North-South dialogue a real chance to take place? Against that background, it should be possible to envisage measures that could improve the international financial and monetary mechanisms and the structures of international trade, along the lines proposed by the Group of 77 and the Movement of Non-Aligned Countries to this special session.*

* Mr. Jaya (Brunei Darussalam), Vice-President, took the Chair.

(Mr. Gayama, Congo)

This session must evaluate international economic relations and assess their performance, so as to decide on new bases for action.

The range of international co-operation has broadened in the past decade to cover such vital areas as the environment and the struggle against social scourges, inter alia, drugs and AIDS.

In these areas and in others that are covered by existing institutions, there must be a strengthening of the United Nations role in functional co-ordination and follow-up. Talking about economic and technical co-operation at the international level amounts essentially to harmonizing policies and ensuring the human dimension of programmes, while making sure that these programmes reach individuals and collectivities better and more effectively.

The circumstances surrounding this special session, which have been expressed during discussions in the Preparatory Committee, show a rather disturbing tendency.

Following the changes now occurring in Eastern Europe, some leapt to the conclusion that they represented the triumph of a model of development which was based exclusively on the economic and financial forces of the world and which would dictate the rules of conduct concerning economic policy and development.

But we must guard against a mechanistic approach to things which in the long run would create more illusions than results, especially if one failed to take account of experience and of the human dimension. Experience leads us to state that neither an over-technical approach to development nor an approach that stresses bilateral relations in the form of a colonial covenant will be able to provide lasting solutions for the tragedy of underdevelopment or to achieve economic take-off. If one tried today to look at the last 30 years of international co-operation, it could easily be shown that such co-operation has in

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fact been to the detriment of the developing countries, in particular those of Africa, in accordance with the well-known image of the alliance between the horseman and the horse.

Pessimism about Africa today should perhaps be put in context, for the crisis there cannot be blamed on the Africans alone.

The combined effects of deterioration in the terms of trade, the continuing drop in export earnings because of the unprecedented drop in the prices of commodities on which our economies are mainly dependent, and the suffocating burden of debt service all have contributed negatively to the situation, hampering any attempt at economic recovery, a recovery that is in any case inhibited by the decline in financial flows.

The adoption of the United Nations Programme for Economic Recovery and Development in Africa in 1986 gave grounds for believing in the revitalization of the economy of the African countries. But looking five years later at what has been done, we can only express our total disillusionment, because the response of the international community has been negative despite the drastic and socially expensive reform policies that were adopted by African countries. The uncertainties of the world economy unfortunately do not encourage any optimism in the developing countries, particularly in the most vulnerable of them. And yet changes in the political picture in the world today do give grounds for some hope and encourage us to continue to believe in the creativity of man and in human solidarity.

The virtually spontaneous establishment of a coherent and concerted policy for assistance to Eastern Europe, along with considerable financial input, especially through the European Reconstruction and Development Bank, whose capital is assessed at about 10 billion ECUs, is something to which we should give attention. This

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initiative, a perfect example of international co-operation and solidarity, should guide the actions of the industrialized countries vis-à-vis the developing countries as a whole, especially the poorest among them.

Unfortunately, we must acknowledge that direct investment in Africa by its partners never attained a massive level in the last 30 years; on the contrary, it has always been less than the capital that left the African countries.

Everything that has happened thus far suggests that the developing countries have given more help to those who claimed to have been helping them than they have received. As a French socialist minister of co-operation said, aid was a means of perpetuating spheres of influence and of securing the political, commercial and strategic positions of the former colonizers.

Paradoxical as it may seem, Africa has contributed much to the economic prosperity of its principal partners, which enjoyed the benefit of a privileged framework for expanding their businesses in Africa without making investments commensurate with the profits drawn from it.

For the developing countries in general and for Africa in particular, there is a fundamental lesson to be learned here. We must organize our collective autonomy on the bases outlined in the Lagos Plan of Action; this would be complementary to the North-South axis, which is certainly still an indispensable dimension of international co-operation, for we surely cannot follow an anachronistic policy of autarky in the light of the imperatives of interdependence in today's world.

It is from the viewpoint of such interdependence that we must look at what solutions can be found for the debt crisis, which is indeed a scourge for the weakened economies of our countries. The evil has spread so far that none of the initiatives offered up to now have been capable of solving the problem.

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The Congo is oppressed by the crushing weight of its debt, which amounts to more than 100 per cent of today's gross national product, and by the crisis to which this has led, involving the weakening of our productive sectors and the reduction of investment and public income. In response, the Congo has established in the framework of its second five-year plan, covering the years 1990-1994, an economic and social action programme based on five main areas, namely: rebalancing of public finances; restructuring of the productive sector; promotion of the private sector; the corresponding institutional reforms; and maintenance and rehabilitation of infrastructures.

There are several lessons to be learned from that economic and social plan of action, and I should like to mention one to which we attach great importance. The re-establishment of a macro-economic balance not only will mobilize the State, which will have the task of restructuring policies, but also will help private initiative, on an ever-growing scale, to translate into reality the fundamental requirements of democracy, under which man is both the principal vector of development and its goal.

This requirement has given rise to the slogan of food self-sufficiency and health for all by the year 2000, in order to extend the area of action of the people, as well as many non-governmental organizations and international institutions.

The Congo's policy of openness - and this can be seen from our network of economic and diplomatic relations and the provisions of our investment code - is the foundation underlying the international economic co-operation segment of our programme of action.

The ideals of justice on which morality in politics is based are not at all outmoded. On the contrary, they are closely interwoven with the search for freedom

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and progress which, from northern Europe to southern Africa, not forgetting Asia and Latin America, have been shaking up all the stultifying certitudes of the past.

If this special session of the General Assembly can properly assess the implications of our interdependence and open up prospects for collective action, then we will have grasped the message of freedom addressed to us by the peoples of the earth, driven by a common destiny.

Mr. SHIHABI (Saudi Arabia) (interpretation from Arabic): I am pleased to congratulate Mr. Garba on his assumption of the presidency of the special session and to wish him the same success he has enjoyed in presiding over the forty-fourth regular session. I express my thanks and appreciation to the Secretary-General, Mr. Perez de Cuellar, for his efforts to make our work successful.

I am also pleased to congratulate the Republic of Namibia on its admission to the United Nations as a free and independent State - a State that proved by its struggle that justice will prevail over power. We look forward to Palestine, the State of the heroic Palestininan people, joining the Organization as the inevitable conclusion of its struggle and jihad.

Today we are discussing, in a new relaxed international climate, the revitalization of economic growth and development in the developing countries. This climate marks a considerable diffusion of tension in the psychological, political, economic as well as military fields, the persistence of regional conflicts notwithstanding. Despite its vulnerability, its transparency and the possibility of its sustaining temporary set-backs, economic and social development is apt to benefit from this new situation.

In this day and age, our world has been split in two: a developed world barricading itself behind economic structures and protective laws and becoming richer, and a developing world most of which is becoming poorer. Assistance from the industrial world has not reached even the meagre figure of 0.7 per cent of gross national product, set by the United Nations as a target for the developed countries to achieve as part of their role in the restructuring of the world economy. A recent study conducted by the World Bank has shown that the developing countries' loss of income, as a result of non-tariff restrictions and barriers imposed on their exports to the developed nations, exceeds what the latter give in official development assistance.

(Mr. Shihabi, Saudi Arabia)

Needless to say, the decline in the transfer of capital, investment and technology to the developing countries adds heavily to their huge burden of foreign debt. Such a burden is exacerbated by the decline in prices of primary commodities exported to the industrial world, especially as they represent the only source of export earnings for most of the developing nations. When high interest rates, inflation, instability of exchange rates and protectionist barriers are factored in, they all serve to stifle every conceivable attempt by the developing world to deal with the problems of growth and seek to establish a sound economic structure or a sturdy social system.

There is great need to alleviate the developing countries' foreign debt, which constitutes the major impediment to their economic development. This is a problem for which appropriate solutions must be found urgently. In this connection, we support all constructive efforts under way. Concomitantly, we should not overlook the problem of the environment, for whose degradation the industrial world bears the greatest share of the responsibility and whose consequences the developing countries have to endure.

Another major reason for the growing interrelationship between countries today is the scientific and technical progress under way. The increasing integration in the world economy, manifested by the rise in the volume of world trade and the accelerating complementarity between financial markets, calls for the adoption of policies capable of integrating the economies of the developing countries into the mainstream of the global economy, in a manner that will help strengthen their national economies and enhance the international economic system. In this regard, the industrialized nations must shoulder a major responsibility and abide by their commitment to aid and support the developing world.

(Mr. Shihabi, Saudi Arabia)

Despite the constraints the Kingdom's economy has suffered over the last decade, owing to the fall in oil prices, our Government has spared no effort in working to rationalize the economy in order to preserve efficient performance and enhance competitiveness, without recourse to protective measures. This policy has been pursued even though our trade partners in the industrial world have imposed tariff and non-tariff barriers on Saudi exports and particularly, on petrochemical products.

In this context, the Kingdom's continued role in giving aid and assistance to the developing countries cannot be overemphasized. I entertain the hope that, at this important stage, it may serve as an example and provide the industrialized countries the impetus to step up their assistance to the developing nations.

In fact, during the period from 1975 to 1985, the Kingdom was the largest donor within the developing world in helping the poor nations, coming second only behind the United States in terms of the total amount of assistance given out. From 1973 to 1981, the Kingdom allocated up to 7.7 per cent of its gross national product to external assistance, registering the highest ratio ever by a single country and exceeding 20 times the ratio of performance of the Organization for Economic Co-operation and Development (OECD) during the same period. The latter's allocation to aid represented only 0.33 per cent of its Member States' gross national product. The aggregate assistance given out by the Kingdom from 1973 to 1982, exceeded $42.5 billion, or 56 per cent of the assistance disbursed by all OPEC countries combined. A large portion of these sums was distributed in the form of outright grants; the rest as soft development loans and concessional credit. Outright grants accounted for 74 per cent of total Saudi assistance. Also, during the period 1975 to 1987, an amount close to $48 billion was given out in aid by the Kingdom, second only to the United States.

(Mr. Shihabi, Saudi Arabia)

In 1986 alone, 96 per cent of the aid disbursed was in the form of grants. The number of developing countries benefiting from Saudi aid was 70 - 38 in Africa, 25 in Asia and 7 in other regions.

At the same time, the Kingdom contributed no less than 20 per cent of the budgets of 12 development agencies, including the International Fund for Agricultural Development (IFAD), the OPEC Fund for International Development, the Islamic Development Bank, the Arab Bank for Development in Africa, the African Development Bank, the African Development Fund and the Arab Fund for Economic and Social Development.

(Mr. Shihabi, Saudi Arabia)

It is worth mentioning that the Kingdom was, and still is, making every effort to stabilize the international oil market with a view to securing the interests of all, both consumers and producers. This will undoubtedly reflect favourably on the international economy.

Lastly, the Kingdom is a major contributor to international financial institutions. In 10 years, from 1978 to 1988, the World Bank received $4 billion in loans from it, while the International Monetary Fund, during the same period, obtained up to $18 billion also in loans. These funds have helped the two institutions meet their increasing demands from the developing countries. Furthermore, 76 per cent of the resources of the Arab Gulf Fund programme to support the development and humanitarian organizations within the United Nations is contributed by the Kingdom.

Like individuals, nations have ethical and moral obligations in their relations with others. Wealth entails a religious and a moral responsibility. The right to wealth and well-being is justified only by the fulfilment of such obligations. Those principles and objectives are safeguarded by the Custodian of the two Holy Mosques, King Fahd Bin Abdul Aziz Al Saud, with a leader's conviction and resolve, and put into practice. In the light of his role, and under his leadership, the Kingdom continues to play its part guided by the principles of co-operation and spurred by an unfailing commitment to help the needy.

To illustrate this, I should like to give some examples from the Kingdom's record and briefly outline our achievements over the past 20 years.

In education, the number of students, both male and female, in the Kingdom rose to 2,922,100 in 1989, compared to 543,942 in 1970, an increase of 537 per cent. In health care, the number of physicians jumped from 1,172 to 22,136, an increase of 1,888 per cent.

(Mr. Shihabi, Saudi Arabia)

In transport and communications, highways were expanded by 20,106 kilometres over the same period, an increase of 366 per cent, while secondary roads were extended by 408 per cent. Agricultural and paved roads were extended by 149 per cent, and the expansion in telephone lines was 4,120 per cent.

In another vital sector, water desalination plants added 900 per cent to the existing facilities; the capacity to desalinate was stepped up by 1,542 per cent.

We entertain the hope that a new era is about to begin in the world economy. With the elimination of the spectre or the threat of a world war, a change in the psychology of certain countries and economic groupings whose policies stand in the way of international trade and world economic integration may come about. For co-operation with the developing countries - whether commercial, industrial or technical - will in the long run work to the best interests of the developed world, by enriching its capabilities and enhancing its potential.

Mr. ADODO (Togo) (interpretation from French): The Government and the people of Togo welcome Namibia's accession to independence and its recent admission to membership of the United Nations. This historic event, acclaimed by all nations, marks the successful conclusion of the persevering efforts and immense sacrifices of the Namibian people for its independence and freedom. Its victory is a tribute to Africa, and the Organization of African Unity and all the nations gathered together within the United Nations, whose activities were particularly decisive in implementing Security Council resolution 435 (1978).

The eighteenth special session of the General Assembly is being held at a time when the challenges of our age are more complex and urgent than ever before. We therefore regard it as a milestone in the struggle against underdevelopment and the inequities of the international economic system.

(Mr. Adodo, Togo)

However, before dealing with the subject, I should like to extend to our President the warmest congratulations of the Togolese delegation on the outstanding manner in which he has been guiding our work. We also wish to pay tribute to the Chairman of the Preparatory Committee for the special session, Mr. Zepos, for the ability, spirit of co-operation and wisdom that he has shown throughout the preparations for this session.

We also extend to the Secretary-General, Mr. Javier Perez de Cuellar, our sincere thanks for the work he has been doing in support of peace and development, with his well-known courage, far-sightedness, faith and resolve.

The recent dizzying acceleration in the pace of history has shaken the political and ideological beliefs that have fashioned this century. The changes occurring in societies today require us all to be more analytical, more imaginative and more determined so as to make the best possible use of these developments for the benefit of a balanced world and for peace.

Détente, which seems to be a feature of international relations today, will be lasting only if it is accompanied by true economic détente in favour of the poorest.

Given the relatively modest progress achieved so far in the many efforts to promote mutually beneficial economic co-operation, and the negative forecasts for the economic and social situation of the developing countries in the 1990s, this session offers the Assembly an opportunity to redefine the main priorities that will enable international co-operation to adapt better to the needs of the third world. There is no doubt that the many different attempts to promote international economic co-operation, and perseverance in those efforts, derive from a growing awareness of the increasing interdependence of the world's diverse economies and of the legitimate concerns of the poor countries.

(Mr. Adodo, Togo)

The stagnation and decline of the economies of the vast majority of developing countries in the past decade can be ascribed less to the drawing up and implementation of inadequate national policies and more to an international economic environment that has been extraordinarily unfavourable.

Caught in the vicious circle of the constant deterioration in the terms of trade, the massive, paralysing foreign debt and the increase in protectionism, the developing countries have usually had little room to manoeuvre to finance their development and generate growth.

(Mr. Adodo, Togo)

While it explains the various kinds of disequilibrium, the unequal world distribution of wealth and the fruits of growth has significantly widened the economic, scientific and technical gaps between rich and poor countries. The inequities of the current economic system negate the indispensable interdependence that must underpin international solidarity and multilateralism.

Hence, any effort to revitalize international economic co-operation is doomed to failure if it is not preceded by the elimination of obstacles to the growth and development of the countries of the South.

Revitalization of economic growth and development in poor countries must benefit from the thaw in international political relations between the East and the West and be based on a desire to strengthen international solidarity. It must rest on healthy and lasting foundations, namely, significant improvement in the international economic environment; the settlement of the debt problem; the strengthening of the financial, scientific and technical sectors of the developing countries; the progressive reduction and final elimination of poverty; the development and utilization of human resources; the protection of the environment; and the strengthening of the United Nations as the central forum for promoting international economic co-operation.

In this regard, the successful conclusion of the Uruguay Round of negotiations is of paramount importance. These negotiations must take account of the fundamental concerns of the developing countries so as to lead to the adoption of bold measures with a view to opening up markets to commodities, removing tariff and non-tariff barriers, and the effective implementation of the generalized system of preferences in favour of the developing countries. In any case, the necessary conditions must be created to guarantee just remuneration for commodities and thus stability in export earnings.

(Mr. Adodo, Togo)

Strengthening the financial, scientific and technical sectors of developing countries requires a definitive solution to the debt problem, an increase in and diversification of financial flows and the promotion of science and technology for development.

Finding lasting solutions compatible with the need for economic growth is all the more urgent given the fact that the crushing weight of external debt means that many countries run the risk of destroying their economic and social fabric so carefully nurtured over the last 30 years. In this connection, one could certainly consider the cancellation outright of debts of the least developed countries and of other developing countries faced with an untenable economic situation. In any event, one of the solutions to the debt problem could be found in the need to ensure remunerative and stable prices for the commodities of developing countries.

With regard to increasing and diversifying external financial flows, we must, among other things, set a precise schedule for achieving the goal of 0.7 per cent of gross national product for official development assistance; significantly increase the volume of aid to the least developed countries; adopt in both developed and developing countries measures to promote private investment; increase contributions to development activities by multilateral agencies within the United Nations system.

With regard to promoting science and technology for development, such activity should be based on truly integrating science and technology in the macro-economic strategies and management of developing countries. This means strengthening the endogenous scientific and technical sectors of developing countries. Thus, we must establish conditions that are propitious to the swift development of science and technology in poor countries and to accelerating the transfer of new technologies so as to promote on-site processing of raw materials and industrialization. In

(Mr. Adodo, Togo)

this connection, a more effective co-ordination of activities within the United Nations system in this area is absolutely indispensable.

Poverty in the world is a constant challenge to human dignity and international solidarity. Hence the final elimination of at least the most degrading aspects of poverty by the end of the century is a goal of paramount importance the realization of which presupposes the adoption and implementation of a dual international and national strategy centred around specific objectives and a binding timetable.

Thus food self-sufficiency and security, health for all, housing for the homeless and the dissemination of knowledge must all be regarded as essential components in plans to reduce and eliminate poverty.

The development and rational utilization of human resources also presupposes effectively integrating women in the process of development. A significant factor in this regard is the taking into account in official planning of the many and most useful economic and social activities of women in the informal sectors of our countries' economies.

As a symbol and instrument of multilateralism, the United Nations is called upon to play a central role in the revitalization of economic growth and development of the developing countries.

It is quite right that the many threats to the environment should give rise to serious concern throughout the world and to greater awareness of the danger and disastrous consequences of destroying nature. Furthermore, special interest must be given to the struggle against degradation of the environment related to poverty. Hence we must adopt policies to protect the flora and fauna and to prevent deforestation and over-use of land, while efforts must be made at the national and international levels to eliminate poverty, which is a factor in

(Mr. Adodo, Togo)

environmental degradation. Effective protection of the environment also requires mechanisms for monitoring, preventing and regulating natural disasters.

In an increasingly interdependent world, where there is a growing trend towards uniformity in cultural and social values and harmonization of views in international life, there is no longer any place for exclusively sectoral, micro-nationalist and protectionist policies.

The winds of change blowing so strongly in international political relations bring a message of peace: the building of a better world, a world of freedom and progress, requires the creation of conditions in which man can flourish and develop fully. Let us then ensure that the building of a better world will be such as to take account of the required stage of prosperity for one and all.

Mr. RANA (Nepal): I should like to request you, Sir, kindly to convey our warm congratulations to Ambassador Garba of Nigeria on his unanimous election as President of the eighteenth special session of the General Assembly.

My delegation joins other speakers in warmly welcoming Namibia as the 160th Member of the family of nations. This historic occasion provides us with an opportunity to pay a tribute to the courage, dedication and sacrifice of the Namibian people in its long struggle, under the leadership of the South West Africa People's Organization, to take charge of its own destiny and to assume its rightful place in the community of nations.

The Minister of Planning and Development of Bolivia has already presented the position of the Group of 77 on the item under discussion at the special session. Similarly, the Federal Secretary of Foreign Affairs of Yugoslavia has also already spoken on behalf of the Non-Aligned Movement. My delegation fully subscribes to the views expressed by them. I therefore wish only to expand on some of the points they raised.

The eighteenth special session of the General Assembly coincides with a positive phase on a number of fronts. There is today a welcome upsurge of pluralism and openness in international relations. There is greater awareness of and respect for human rights. Simultaneously, there has been a steady improvement in the relations among the major Powers. In one of his earlier reports on the work of the Organization, the Secretary-General emphasized the need for a requisite relationship between the most powerful States as indispensable to the creation of conditions in which the noble concepts of the Charter could be made to function for the benefit of all. With a definite movement in that direction, we have today an unprecedented climate in which to translate into reality the objective of promoting the economic and social advancement of all peoples.

(Mr. Rana, Nepal)

Despite the positive developments on the political front, the overall international economic situation continues to be cause for deep concern. While the developed countries have experienced their longest post-Second-World-War economic expansion, the economies of the majority of developing countries continue to stagnate, and in some cases have even regressed.

The reason for this state of affairs is clear to us all. Mounting debt burdens and high international interest rates, depressed commodity prices, a growing trend towards protectionism and restrictive trade practices, the instability of exchange rates and the reverse flow of resources, coupled with declining official development assistance - those are but some of the impediments to the growth of developing countries. Those countries have borne the brunt of the economic difficulties of the 1980s, and many of them are in the low-growth trap, with little prospect of extricating themselves.

The current critical economic situation of a large number of countries calls for a pattern of economic relations that would encourage the reactivation and sustained growth of the developing countries. The elimination of the debt overhang of the developing countries would be an essential step towards such relations. I wish to take this opprtunity to express our appreciation to the Secretary-General for his serious efforts in this direction, reflected in the appointment of a senior statesman, Mr. Bettino Craxi, as his Special Representative, with the assignment to submit a detailed report on the solution of the debt crisis.

Another major issue of our time is the environment. The ceaseless pursuit of technological development has for decades been disturbing the fragile ecosystem. That trend has to be reversed, but it must be done with care and circumspection. The development imperatives of the developing countries cannot be sacrificed, and international action in that crucial area must be based on an integrated approach in which environment and development are mutually reinforcing. We therefore hope

(Mr. Rana, Nepal)

that the United Nations Conference on Environment and Development to be held in 1992 will provide a basis and frame of reference for international co-operation in that vital area.

Human-resource development is yet another crucial issue before the developing countries. It need not be emphasized that only a healthy and well-educated population can safeguard civil and human rights and take part fully in the development efforts of the country. Assistance in the areas of training and institution-building to countries that have problems in mobilizing their own resources for this sector should constitute an essential part of a co-operative strategy.

The vagaries of the world economy have hit the least developed countries the hardest. The record of this group of countries in the 1980s presents a dismal picture, notwithstanding the commitments undertaken in the Substantial New Programme of Action adopted at the first Paris Conference on the Least Developed Countries in 1981. Average per capita income in the least developed countries decreased during most of the decade. Environmental degradation and natural disasters retarded the rate of growth. High population growth rates negated whatever little had been achieved, and their savings capacities have dwindled further.

Like all other developing countries, the least developed countries bear the primary responsibility for mobilizing their national resources fully and effectively. Many of them have been instituting painful structural adjustment programmes, but those have proved inadequate due to their narrow focus.

The least developed countries need the immediate attention of the international community to halt their already precarious socio-economic situation. The target of 0.15 per cent of gross national product as the official development assistance to the least developed countries under the Substantial New Programme of

(Mr. Rana, Nepal)

Action for the 1980s remains largely unfulfilled, even though provision of adequate external financial assistance is recognized by all as a matter of crucial importance.

According to a study by the United Nations Conference on Trade and Development (UNCTAD), donors should endeavour to double official development assistance flows to the least developed countries in the next five years and aim at providing 0.20 per cent of their gross national product as official development assistance to the least developed countries by the end of the 1990s, if those countries are to attain an annual growth rate of around 5 per cent. Those countries also need urgent measures for external debt relief, stabilization of commodity prices, adequate compensation for shortfalls in export earning due to fluctuations, and access to markets for their products. Given the grave economic situation of the least developed countries, the forthcoming second Paris Conference assumes an even greater significance.

The problems before us are manifold, and it might be unrealistic to expect a single special session to come out with consensus solutions to all the pressing problems. Sober assessments of the current international economic situation, together with a firm support for constructive dialogue, have marked the statements before the Assembly.

We have a number of important events ahead - the second United Nations Conference on the Least Developed Countries, preparation of a new international development strategy, the completion of the Uruguay Round, the eighth session of UNCTAD, and the 1992 Conference on Environment and Development. It is the sincere hope of my delegation that the special session will mark a new starting-point and that it will be remembered for having given firm political guidelines for sincere and serious negotiations, both within the framework of and outside the Organization.

Mr. NOGUEIRA-BATISTA (Brazil): The 1980s was a decade of great economic imbalances and trade tensions among developed market economies. Above all, it has proven to be a period of severe economic hardships for the large majority of developing countries. The world has become, at the same time, more interdependent and, paradoxically, less co-operative. Since the early 1970s, we have witnessed, in fact, a distinct decrease of international multilateral co-operation. This has been and continues to be the case not only among developed market economies but also, and very much so, the trend in their relations with the developing countries.

The prevailing direction has indeed been for nations to turn inward, individually or in blocs. In spite of the rhetoric of openness, nations, particularly the developed ones, tend to care almost solely - and perhaps short-sightedly - for their own national interests. Little regard is shown for the impact of domestic, bilateral or regional actions on the basic principles of economic multilateralism as expressed in the unconditional most-favoured-nation rule or in a stable system of exchange rates.

Given the asymmetric distribution of world economic power, developing countries, as the weaker partners, were bound to suffer most the consequences of the crumbling of the post-war economic order built around the Bretton Woods institutions and the General Agreement on Tariffs and Trade (GATT). Those countries have been faced with increasing protectionism and discrimination in the markets of developed countries. The emergence of the debt crisis, which has crippled the ability of the majority of developing countries to pursue non-inflationary policies and to overcome underdevelopment is a direct outcome of the inability of the major developed market economies individually to observe fiscal discipline and jointly to co-ordinate their macro-economic policies. The very strategy for dealing with the debt crisis constitutes a demonstration of the break-down of international economic solidarity. Having been exclusively conceived

(Mr. Noqueira-Batista, Brazil)

by the creditors, without any participation of the debtors, it had, as a natural consequence, foremost in sight the protection of the international banking system rather than the development needs of the indebted nations.

The crisis of multilateral economic co-operation has, ironically, come about against a background of a growing economic interrelationship of national economies. This increasing interdependence resulting more from technological changes than from autonomous decisions affects developing countries in particular. Their growth prospects have become, in fact, more dependent on a favourable or, at least, not hostile international economic environment. What has been seen, however, through the entire decade of the 1980s, is the persistence of a situation highly unfavourable to developing countries: a continuous decline in commodity prices, restricted export opportunities for their manufactured goods and, for the indebted nations, which constitute the majority among them, also restricted access to the world financial markets.

With less trade as well as less aid, developing countries as a whole became heavy exporters of resources to the developed market economies. In net financial resources, about $250 billion have been transferred from the South to the North since the start of the debt crisis, a sum roughly comparable, in current dollars, to the total amount granted by the United States for the reconstruction of Western Europe under the Marshall Plan.

During the last decade, much progress was achieved in the political sphere in terms of a lessening of political and ideological tensions between East and West. These are developments which opened the way not only for a peaceful resolution of many localized armed conflicts, international or civil in nature, but also for the liberalization of centrally planned economies and for their integration in the world economy as well. More important still, democratic values of political and social organization gained strength the world over, particularly in Latin America

(Mr. Noqueira-Batista, Brazil)

and in Eastern Europe, despite the absence of propitious economic conditions. In many significant ways, these welcome sweeping changes have brought about in Eastern Europe new political situations which are, nevertheless, a source of instability and concern. Rather than the "end of history" we seem to be confronted with its revival in some of its traditional forms.

The world is confronted, moreover, with novel and bewildering challenges: global pollution threats, the relationship between environment and development, the management of limited and scarce natural resources - a vast array of problems whose complexity and scope demand more, not less, international solidarity, burden-sharing rather than burden-shifting, co-operation rather than diktat.

At this special session of the General Assembly we shall certainly not be in a position to come to final agreements on how best to revitalize international economic co-operation and in this context how to deal in particular with the specific problems affecting growth in developing countries. We should be able, however - and this in itself would be a significant result - to start not merely a North-South dialogue but a truly global one taking fully into account the fundamental changes of the last decade. We should be able to make use of the opportunity to try to understand the global nature of the problems mankind faces and to start to think about a new architecture for multilateral economic co-operation within which the needs of the most afflicted could be taken good care of. The United Nations is no doubt the best available forum for an agreement on such a new design as it provides, to all nations, the possibility to participate in an integrated consideration of all the main elements of the economic relations among and between States - money, finance, business, trade and technology. There is clearly a need to conceive of a broad regulatory framework within which all corporations, national or transnational, would be able to produce more efficiently and compete in a fairer manner.

(Mr. Noqueira-Batista, Brazil)

The reconstruction of international economic co-operation is, of course, a major task which will, in any event, take time to shape up. We must start as soon as possible, for the perpetuation of instability and uncertainty will certainly affect the economic interests of all nations and may compromise our parallel efforts to ensure international peace and security. In the absence of international economic co-operation, the richer nations may still prosper; the poorer ones will most probably be compelled further to postpone the fulfilment of their development aspirations: in sum, a world of aggravated disparities and increased tensions.

(Mr. Noqueira-Batista, Brazil)

Brazil would certainly be prepared to participate actively in any collective exercise leading to a much-needed new world economic system. Brazil cannot, however, remain passive in the absence of progress to that end, agreeing - as it were - to be condemned to poverty and despair. The recently inaugurated Brazilian Government has, on its own initiative, taken bold and comprehensive steps to overhaul the finances of the public sector and of the economy as a whole as a pre-condition to the resumption of non-inflationary growth based on the private sector's capability as a producer of wealth and on a redefined role for the State in the provision of infrastructure and in the promotion of social justice and welfare.

The economic stabilization measures of the Brazilian Government are being implemented at great sacrifices for the Brazilian economy, for no external assistance has been envisaged or offered. Inflation, which was running at extremely high levels, has already been brought to a halt, and every effort will be made to keep it under control without too deep or too long a contraction of economic activity. Once we are assured that all sources of inflation are under full control, Brazil will immediately resume economic growth. For that resumption to become possible the country will certainly need from all its creditors, public and private sector alike, understanding and co-operation in the search for a lasting solution to our foreign debt. In order to grow we will have to remove that major external constraint on Brazil's ability to invest. We must be in a position to make full productive use of our domestic savings in order to experience development again at the historic high rates achieved from the 1950s through the 1970s.

According to President Fernando Collor, two basic parameters will guide us in the renegotiation of our debt. At one level there is no question of Brazil's

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seeking unilaterally to impose its views on its creditors, just as there is no question of the country's being prepared to subscribe to standard contracts that are not the product of real negotiation and that may not meet our development requirements. At another level Brazil's growth targets will not be established as a function of the amount of debt servicing that may be required from us. Rather, the amount of debt servicing is to be defined as a consequence of the level of economic growth to be sought in accordance with the needs and aspirations of the country.

Developing countries like my own, which want to modernize and open their economies, must of course not only be able to invest more but also to import more. They find themselves, however, in the peculiar situation of facing external impediments to the achievement of that goal. Increasing imports will result - all other things remaining constant - in an inevitable reduction in the transfer of funds to creditors, a proposition that is strongly resisted in creditor nations, those very countries whose exporters call for improved opportunities in our markets.

Furthermore, in strict commercial terms the cards at the current Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations seem once again to be stacked against the interests of the developing countries. In services an outright liberalization is proposed, which would be tantamount to the cornering by developed countries of the services market of the less developed ones. In the field of industrial property rights, the existing requirements under international law to work the patent are being replaced by demands to turn the patent holder's rights into a virtual monopoly, including importation, thus creating additional obstacles to technology transfer. As regards direct investments, the host countries are being asked to refrain from exercising their right to legislate on the treatment of foreign capital. At the same time, legitimate and long-standing

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requests of the developing countries are not being given adequate consideration: in the area of safeguards, that dark underworld of international trade law the preferred abode of protectionism, scant are the prospects of shadows being dissipated; in the field of farm policy, whose restrictions and subsidies constitute one of the most glaring denials of free trade, possibilities appear even dimmer. The same can be said to date of other areas of great interest to the less developed countries, such areas as textiles, tropical products, tariff escalation and non-tariff measures.

For the new Government of Brazil, which is determined to modernize the country and to lead it into a gradual but constant and steadfast integration into the world economy, all such trends are rather disturbing. If they indeed prevail in the international arena, our strong efforts to integrate into the world economy will eventually be frustrated. In the words of President Fernando Collor:

> "The world will have to persuade itself of the need to open its markets to Brazil so that we in turn may be able to believe in the advantage of opening our markets to the world."

The meeting rose at 1.05 p.m.